

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	HCS CSSB 10(EDC)
Fiscal Note Number:	7
(H) Publish Date:	2/28/2022

Identifier: SB010CS(FIN)AM-EED-ACPE-2-4-22
Title: FREE/REDUCED TUITION FOR ESSENTIAL
WORKER
Sponsor: BEGICH
Requester: House Education

Department: Department of Education and Early Development
Appropriation: Alaska Commission on Postsecondary Education
Allocation: Program Administration & Operations
OMB Component Number: 2738

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Personal Services	187.5	(187.5)	187.5	187.5			
Travel							
Services	16.0		10.0	10.0			
Commodities							
Capital Outlay	65.5						
Grants & Benefits	2,500.0		2,500.0	2,500.0			
Miscellaneous							
Total Operating	2,769.0	(187.5)	2,697.5	2,697.5	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)	2,769.0		2,573.2	2,573.2			
1007 I/A Rcpts (Other)		(187.5)	124.3	124.3			
Total	2,769.0	(187.5)	2,697.5	2,697.5	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2023) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/31/22

Why this fiscal note differs from previous version/comments:

Updated for SLA2022 fiscal note template. Fund source change from Higher Education Investment Fund (DGF) to General Fund (UGF).

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Date: 02/04/2022 01:30 PM
Date: 02/04/22

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

Analysis

This bill establishes a grant program to be administered by the Alaska Commission on Postsecondary Education (ACPE), which provides essential workers with tuition and fees to attend certain postsecondary institutions. The bill provides for various eligibility criteria for award of an initial grant and identifies eligibility criteria to receive a grant for another term. Total amount of grants may not exceed \$2,500.0 per fiscal year with prioritization for payment of grants if insufficient funds are appropriated. Additionally, the bill defines “essential worker” and establishes guidelines and a timeframe for a report on the new program to the Legislature. This act is repealed June 30, 2025.

As COVID-19 continues to affect businesses and Alaska’s economy negatively, this bill would support essential workers who are working currently or who were laid off temporarily or permanently during the federal public health emergency by offering grants for tuition and fees to attend state-supported educational institutions to improve their opportunity for employment.

Assumptions to implement the grant program outlined in this bill:

- Assumes grants and operating costs would be funded through Unrestricted General Funds (UGF).
- Personal services costs for FY2023 represent the cost for 1.5 FTE Financial Aid Operations Analyst/Financial Aid Specialist to oversee implementation and process awards and communicate with students and schools and Information Technology staff to support system setup and implementation. Total: \$187.5 UGF
- After initial set-up only .6 FTE would be needed to administer the program for FY2024 and FY2025. Personal services costs for FY2024 and FY2025 represent the costs of .6 FTE Financial Aid Operations Analyst/Financial Aid Specialist to administer the program. Total: \$63.2 UGF.
- Personal services costs do not represent new positions but reflect new duties to implement and administer the Essential Workers grant program. Since these new duties are not associated with the Alaska Student Loan Corporation (ASLC), they must be funded through a different fund source. The Governor's FY2023 budget includes \$187.5 Interagency Receipts for these positions to be funded from ASLC. This fiscal note reflects a change in funding source to support the new duties of the 1.5 FTE positions associated with the Essential Workers grant program. For the fiscal years FY2024 through FY2025, the ASLC Receipts are added back to reflect the shift back to providing services for ASLC, with only .6 FTE needed in FY2023 and FY2025. (\$187.5 - \$63.2 = \$124.3)
- Annual system maintenance cost in FY2024 through FY2025. Total: \$10.0 UGF.
- FY2023 one-time cost to promulgate regulations to implement the new grant program. Total: \$6.0 UGF
- In FY2023, one-time capital outlay is required for the system vendor of the Alaska Student Aid Portal to expand the system and implement the grant program. Total: \$65.5 UGF
- Total amount of grants may not to exceed \$2,500.0 per fiscal year.